

CYPRUS: TOTAL RECONSIDERING ITS INVOLVEMENT IN HYDROCARBON EXPLORATION?

Total is reportedly reconsidering its exploration plans in Cyprus. The French company, had commissioned CGG to carry out seismic surveys in blocks 10 and 11 in Cyprus' Exclusive Economic Zone, but the results failed to “identify tangible structures or targets for drilling”.

Total may even be willing to pull out of Cyprus and take a €70m loss rather than proceed with exploration plans, according to some reports. The decision, unrelated to Turkish provocations in Cyprus' EEZ, is motivated by disappointing survey results, and comes at a time the company is trying to cut down expenses in the wake of a major drop in oil prices.

What impact will these developments have on future exploration activity in Cyprus, particularly after ENI's disappointing results in Onasagoras, and in the wider Eastern Mediterranean?

Will Cypriot authorities be able to offer Total enough incentives to reassess its plans?

What are the lessons for a country like Lebanon, which has repeatedly postponed its first licensing round and is currently seeking to revive its own exploration plans?

MESP is following these latest developments closely and providing its clients with regular alerts and in-depth analysis. For more details, don't hesitate to contact us.